

City of Columbus Income Tax 2021 Filing Season Updates



THE CITY OF
COLUMBUS

OFFICE OF MEGAN N. KILGORE,
CITY AUDITOR

This session's objectives

- Meet the Division
- What's New
 - Ohio House Bill 197
 - Taxability of COVID-19 relief programs
 - Other tax topics
- Filing Deadlines
- Customer Service Updates
 - Drop off service available
 - Customer service hours
- Additional Resources

City of Columbus Income Tax Division

- Administer the income tax for the City of Columbus under City Auditor Megan Kilgore
 - Income Tax Administrator Rasheda Hansard
 - Serve those who live, work, and conduct business in the city
- Your presenter
 - Beth Brink, Chief Administrative Officer

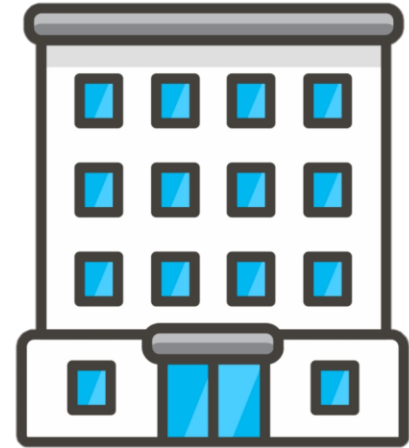
Working from home during the COVID pandemic

- Ohio House Bill 197 instituted temporary language stating that during the period of the emergency declared by Executive Order 2020-01D, issued on March 9, 2020, and for thirty days after the conclusion of that period, any day on which an employee performs personal services at a location, including the employee's home, which the employee is required to report for employment duties because of the declaration shall be deemed to be a day performing personal services at the employee's principal place of work.



Timothy
Taxpayer

From January 1 –
March 9, Timothy
worked at Edison
Employer's Columbus
office.



Edison - Columbus

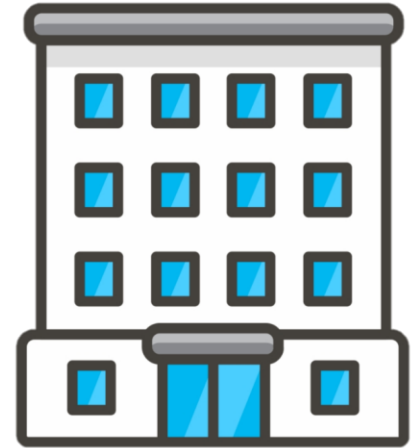
On March 10, he was
required to start
working from home
due to the COVID-19
pandemic.



Home - Dublin

Timothy lives in Dublin.

Because of the temporary language in H.B. 197, if Timothy is working from home due to the state of emergency, he is considered to be performing work at his office at Edison Employer.



Edison - Columbus



Home - Dublin

During the SOE Window – H.B. 197

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- As such, the Columbus Division of Income Tax will not grant refund requests for withholding paid to Columbus in accordance with C.C.C. 362.011 and Ohio H.B. 197, section 29.

Unemployment Compensation

- Supplemental unemployment income is only taxable at the municipal level when paid by the employer.
- State unemployment benefits are not taxable at the municipal level.
- As the supplemental employment amounts authorized in the CARES Act and other relief bills were established by the federal government and administered by the state, Columbus does not consider these amounts taxable at the municipal level.

Economic Impact Payments

- When an individual has to file a city return for income outside of wages earned within the city, that “other income” is largely derived from the taxpayer’s net income on their federal return.
- Economic Impact payments (stimulus checks) [are not included in federal gross income](#), and are therefore not taxable.
- Economic impact payments received by individuals are not included in their income for municipal income tax purposes.

Business Recovery Grants

- Generally speaking, grants received from government entities are included in a business's federal gross income and are therefore taxable.
- In light of this, the IRS has [specifically addressed grants made from CARES Act funding](#) by state and local governments as being included in gross income and therefore taxable.
- Since government grants received by the business are included in the business's federal income, they are also included in the business's income for municipal income tax purposes.

Payment Protection Program (PPP) loans

- In general, loan forgiveness or cancellation can result in taxable income for a business unless an exception applies.
- The CARES Act created an exception for PPP loans, excluding from gross income amounts that would otherwise be included due to forgiveness.
- Since these amounts received by the business are not included in the business's federal income, they are not included in the business's income for municipal income tax purposes.

Other tax updates

- Supplemental Executive Retirement Plans (SERPS)
 - Beginning tax year 2020 via Ohio House Bill 166, SERPs are no longer taxable at the municipal level
- 2021 Penalty and Interest Rate
 - Penalty rates:
 - Individuals, Corporations, S-Corporations, Partnerships, Limited Liability Companies, and Trusts: 15%
 - Employers: 50%
 - Interest rate: 5%

Deadlines

- Deadline is May 17:
 - 2020 Annual Returns for Individuals (Form IR-25)
 - Will need your completed federal return
- Please note: Form BR-25 (Annual Returns for Businesses) still due April 15
- Individuals who determine that their estimated tax for 2021 will be greater than \$200 and all businesses must also file:
 - Form IR-21, BR-21 – Declaration of Estimated Tax (due April 15)
 - Form IR-18, BR-18 – Quarterly Statements of Estimated Tax Due (due June 15, Sept. 15, and Dec. 31/Jan. 15 2022)
- Forms, instructions, and the EasyFile application are available on our website at www.columbus.gov/IncomeTaxDivision

Assistance available

- We have suspended our walk-in taxpayer service until further notice
- We are still offering a drop-off return preparation service and Letter of Good Standing service
 - 77 N Front Street – secure drop box in lobby
 - You will need to provide:
 - Copies of W-2's from all employers
 - Copies of any 1099 forms received
 - Copy of Federal 1040 Pages 1 and 2; any attached schedules (e.g. Schedules C, E, or F)
 - Fill out an intake form
 - We will prepare, contact you at your listed information, and send a copy of your return for your records

Contacting Us

- Many resources on our website
 - Any customer service updates
 - Forms and resources
 - Chances are if it's not specific to your account, it's on our website!
- You can contact us via phone at 614-645-7370
 - Our customer service hours are Monday – Friday 9:00 a.m. – 4:00 p.m.
 - For most current hours, visit our website
- Email us at tax@columbus.gov
 - Will likely receive a quick response with general information as we route your request to a staff member

Additional resources

- We've offered these videos ahead of the filing deadline as an additional way to connect with taxpayers
- Additional recordings are available on our website:
 - City Tax 101
 - City Tax for Schedule C Businesses and Rental Property Owners
- Offering additional resources for individuals, businesses, employers, and tax practitioners
 - Have a topic you'd like to see covered? Email embrink@columbus.gov

Thank you!



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